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CENTRAL INTELLIGENCE AGENCY

WASHINGTON, D.C. 20505

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Mandatory Review  
Case # NLJ 95-364  
Document # SI

MEMORANDUM FOR: Mr. Bromley K. Smith  
White House Staff  
The White House

SUBJECT : Cuban Sugar Production in 1967 and  
Prospects for 1968 and 1970

1. Attached is an Intelligence Report which concludes that Castro is making slow and somewhat erratic progress in raising sugar output to bolster Cuba's foreign exchange position. Although 1967 sugar production peaked at 6.1 million metric tons, the highest level since 1961, dry weather is expected to reduce the size of the 1968 crop by about 10 percent. Plans for 1970 call for production of 10 million tons but output is expected to rise to no more than 7.5 to 8 million tons because of limitations in harvesting and milling capacity.

2. Production of 8 million tons in 1970, with some growth in nonsugar exports, could raise Cuba's total export earnings nearly 40 percent over 1967, but would not result in a comparable increase in import capacity because Soviet and Free World credits are expected to decline. However, the USSR will probably import larger quantities of Cuban sugar at premium prices, therefore the net reduction in Soviet economic assistance will be small.

*Bill Morell*  
WILLIAM N. MORELL, JR.  
Director  
Economic Research

Attachment: IR 67-27 (Subject Report)

APPROVED FOR RELEASE

12 FEB 1997

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